

CASE NAME: TWL Knowledge Group

CASE: 08-42774

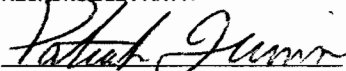
JUDGE: Rhoades

ACCRUAL BASIS

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF TEXAS
MONTHLY OPERATING REPORTS
MONTH ENDING: FEBRUARY 28, 2010

IN ACCORDANCE WITH TITLE 28, SECTION 1746, OF THE UNITED STATES CODE, I DECLARE UNDER PENALTY OF PERJURY I HAVE EXAMINED THE FOLLOWING MONTHLY OPERATING REPORT (ACCRUAL BASIS-1 THROUGH ACCRUAL BASIS-7) AND THE ACCOMPANYING ATTACHMENTS AND, TO THE BEST OF MY KNOWLEDGE, THESE DOCUMENTS ARE TRUE, CORRECT AND COMPLETE. DECLARATION OF THE PREPARER (OTHER THAN RESPONSIBLE PARTY): IS BASED ON ALL INFORMATION OF WHICH PREPARER HAS ANY KNOWLEDGE.

RESPONSIBLE PARTY:



ORIGINAL SIGNATURE OF RESPONSIBLE PARTY

CFO
TITLE

Patrick Quinn

PRINTED NAME OF RESPONSIBLE PARTY

DATE

PREPARER:

ORIGINAL SIGNATURE OF PREPARER

Controller
TITLE

Bernard Hamilton

PRINTED NAME OF PREPARER

DATE

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ACCRUAL BASIS-1

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COMPARATIVE BALANCE SHEET

ASSETS	SCHEDULE AMOUNT	MONTH	MONTH	MONTH
		Jan-10	Feb-10	Mar-10
1. UNRESTRICTED CASH				
2. RESTRICTED CASH				
3. TOTAL CASH		\$125,937	\$123,896	\$0
4. ACCOUNTS RECEIVABLE, NET				
5. INVENTORY				\$0
6. NOTES RECEIVABLE				
7. PREPAID EXPENSES				
8. OTHER (ATTACH LIST)				
9. TOTAL CURRENT ASSETS				
10. PROPERTY, PLANT, & EQUIPMENT				\$0
11. LESS: ACCUMULATED DEPRECIATION/DEPLETION				\$0
12. NET PROPERTY, PLANT & EQUIPMENT				\$0
13. DUE FROM INSIDERS				
14. OTHER ASSETS - NET OF AMORTIZATION (ATTACH LIST) Capital Lease Equipment				\$0
15. OTHER (ATTACH LIST)				
16. TOTAL ASSETS		\$125,937	\$123,896	\$0
POSTPETITION LIABILITIES				
17. ACCOUNTS PAYABLE				
18. TAXES PAYABLE				
19. NOTES PAYABLE				
20. PROFESSIONAL FEES				
21. SECURED DEBT				
22. OTHER (ATTACH LIST)				
23. TOTAL POSTPETITION LIABILITIES				
PREPETITION LIABILITIES				
24. SECURED DEBT				
25. PRIORITY DEBT				\$0
26. UNSECURED DEBT				\$0
27. OTHER (ATTACH LIST)				
28. TOTAL PREPETITION LIABILITIES				
29. TOTAL LIABILITIES		\$0	\$0	\$0
EQUITY				
30. PREPETITION OWNERS' EQUITY		\$125,937	\$123,896	\$0
31. POSTPETITION CUMULATIVE PROFIT OR (LOSS)				
32. DIRECT CHARGES TO EQUITY (ATTACHMENT EXPLANATION)				
33. TOTAL EQUITY				
34. TOTAL LIABILITIES & OWNERS' EQUITY		\$125,937	\$123,896	\$0

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ACCRUAL BASIS-2

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INCOME STATEMENT

	MONTH	MONTH	MONTH	QUARTER total
	Jan-10	Feb-10	Mar-10	
REVENUES				
1. GROSS REVENUES				
2. LESS: RETURNS & DISCOUNTS				
3. NET REVENUE				\$0
COSTS OF GOODS SOLD				
4. MATERIAL				
5. DIRECT LABOR				
6. DIRECT OVERHEAD				
7. TOTAL COST OF GOODS SOLD				
8. GROSS PROFIT	\$0	\$0	\$0	\$0
OPERATING EXPENSES				
9. OFFICER / INSIDER COMPENSATION				\$0
10. SELLING & MARKETING				\$0
11. GENERAL & ADMINISTRATIVE	\$0	\$0	\$0	\$0
12. RENT & LEASE				\$0
13. OTHER (ATTACH LIST)				
14. TOTAL OPERATING EXPENSES	\$0	\$0	\$0	\$0
15. INCOME BEFORE NON-OPERATING INCOME & EXPENSE				
OTHER INCOME & EXPENSE				
16. NON-OPERATING INCOME (ATT. LIST)	\$0	\$0	\$0	\$0
17. NON-OPERATING EXPENSE (ATT. LIST)				
18. INTEREST EXPENSE				
19. DEPRECIATION / DEPLETION				
20. AMORTIZATION				
21. OTHER (ATTACH LIST)				
22. NET OTHER INCOME & EXPENSES				
REORGANIZATION EXPENSES				
23. PROFESSIONAL FEES	\$0	\$0	\$0	\$0
24. U. S. TRUSTEE FEES	\$0	\$0		\$0
25. OTHER (ATTACH LIST)				
26. TOTAL REORGANIZATION EXPENSES	\$0	\$0	\$0	\$0
27. INCOME TAX				
28. NET PROFIT (LOSS)	\$0	\$0	\$0	\$0

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ACCRUAL BASIS-3

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CASH RECEIPTS AND DISBURSEMENTS	MONTH Jan-10	MONTH Feb-10	MONTH Mar-10	QUARTER TOTAL
1. CASH - BEGINNING OF MONTH	\$127,589	\$125,937	\$0	\$0
RECEIPTS FROM OPERATIONS				
2. CASH SALES				
COLLECTIONS OF ACCOUNTS RECEIVABLE				
3. PREPETITION				
4. POSTPETITION	\$0	\$959	\$0	
5. TOTAL OPERATING RECEIPTS	\$0	\$959	\$0	\$0
NON-OPERATING RECEIPTS				
6. LOANS & ADVANCES (ATTACH LIST)				\$0
7. SALE OF ASSETS				
8. OTHER (ATTACH LIST)	\$0	\$0	\$0	\$0
9. TOTAL NON-OPERATING RECEIPTS				
10. TOTAL RECEIPTS	\$0	\$0	\$0	\$0
11. TOTAL CASH AVAILABLE	\$127,589	\$126,896	\$0	\$0
OPERATING DISBURSEMENTS				
12. NET PAYROLL	\$1,500	\$1,500		\$3,000
13. PAYROLL TAXES PAID				\$0
14. SALES, USE & OTHER TAXES PAID				\$0
15. SECURED / RENTAL / LEASES				\$0
16. UTILITIES				\$0
17. INSURANCE				\$0
18. INVENTORY PURCHASES				
19. VEHICLE EXPENSES				
20. TRAVEL				\$0
21. ENTERTAINMENT				
22. REPAIRS & MAINTENANCE				
23. SUPPLIES				\$0
24. ADVERTISING	\$0	\$0	\$0	\$0
25. OTHER (ATTACH LIST)				
WorkComp/401k/Gamlehments	\$152			\$152
26. TOTAL OPERATING DISBURSEMENTS	\$1,652	\$1,500	\$0	\$152
REORGANIZATION EXPENSES				
27. PROFESSIONAL FEES	\$0	\$0	\$0	\$0
28. U.S. TRUSTEE FEES	\$0	\$0		\$0
29. OTHER (ATTACH LIST)	0		\$0.00	\$0
30. TOTAL REORGANIZATION EXPENSES	\$0	\$0	\$0	\$0
31. TOTAL DISBURSEMENTS	\$1,652	\$1,500	\$0	\$152
32. NET CASH FLOW	\$1,652	\$3,000	\$0	\$0
33. CASH - END OF MONTH	\$125,937	\$123,896	\$0	\$0

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ACCRUAL BASIS - 4

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ACCOUNTS RECEIVABLE AGING	SCHEDULE AMOUNT	MONTH Oct-09	MONTH Nov-09	MONTH Dec-09
1. 0 - 30				
2. 31 - 60				
3. 61 - 90				
4. 91 +				
5. TOTAL ACCOUNTS RECEIVABLE				
6. AMOUNT CONSIDERED UNCOLLECTABLE				
7. ACCOUNTS RECEIVABLE, NET				

AGING OF POSTPETITION TAXES AND PAYABLES					MONTH: February-10
TAXES PAYABLE	0 - 30 DAYS	31 - 60 DAYS	61 - 90 DAYS	91 + DAYS	TOTAL
1. FEDERAL					\$0
2. STATE					\$0
3. LOCAL					\$0
4. OTHER (ATTACH LIST)					
5. TOTAL TAXES PAYABLE					\$0
6. ACCOUNTS PAYABLE					\$0

STATUS OF POSTPETITION TAXES					MONTH: February-10
FEDERAL	BEGINNING TAX LIABILITY	AMOUNT WITHHELD AND OR ACCRUED	AMOUNT PAID	ENDING TAX LIABILITY	
1. WITHHOLDING**					
2. FICA - EMPLOYEE**					
3. FICA - EMPLOYER**					
4. UNEMPLOYMENT					
5. INCOME					
6. OTHER (ATTACH LIST)					
7. TOTAL FEDERAL TAXES					
STATE AND LOCAL					
8. WITHHOLDING					
9. SALES		\$0			\$0
10. EXCISE					
11. UNEMPLOYMENT					
12. REAL PROPERTY		\$603,600			\$603,600
13. PERSONAL PROPERTY		\$112,353			\$112,353
14. OTHER (ATTACH LIST)					
15. TOTAL STATE & LOCAL					
16. TOTAL TAXES		\$715,953	\$0		\$715,953

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The beginning tax liability should represent the liability from the prior month or, if this is the first operating report, this amount should be zero.

** Attach photocopies of IRS Form 9123 or your FTD coupon and payment receipt to verify payment or deposit.

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ACCRUAL BASIS-6

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MONTH: November-09

PAYMENTS TO INSIDERS AND PROFESSIONALS

OF THE TOTAL DISBURSEMENTS SHOWN FOR THE MONTH, LIST THE AMOUNT PAID TO INSIDERS (AS DEFINED IN SECTION 101 (31) (A)-(F) OF THE U.S. BANKRUPTCY CODE) AND TO PROFESSIONALS. ALSO, FOR PAYMENTS TO INSIDERS, IDENTIFY THE TYPE OF COMPENSATION PAID (e.g. SALARY, BONUS, COMMISSIONS, INSURANCE, HOUSING ALLOWANCE, TRAVEL, CAR ALLOWANCE, ETC.). ATTACH ADDITIONAL SHEETS IF NECESSARY.

INSIDERS			
NAME	TYPE OF PAYMENT	AMOUNT PAID	TOTAL PAID TO DATE
1.			
2.			
3.			
4.			
5.			
6. TOTAL PAYMENTS TO INSIDERS			

PROFESSIONALS					
NAME	DATE OF COURT ORDER AUTH. PAYMENT	AMOUNT APPROVED	AMOUNT PAID	TOTAL PAID TO DATE	TOTAL INCURRED & UNPAID
1.					
2. Attorneys				\$497,951	
3.					
4.					
5.					
6. TOTAL PAYMENTS TO PROFESSIONALS					

* INCLUDE ALL FEES INCURRED, BOTH APPROVED AND UNAPPROVED

POSTPETITION STATUS OF SECURED NOTES, LEASES PAYABLE AND ADEQUATE PROTECTION PAYMENTS

NAME OF CREDITOR	SCHEDULED MONTHLY PAYMENTS DUE	AMOUNTS PAID DURING MONTH	TOTAL UNPAID POST-PETITION
1. Landlord	\$0		\$0
2. Satellite Provider	\$0		\$0
3.			
4.			
5.			
6. TOTAL			

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ACCRUAL BASIS-7

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MONTH: November-09

QUESTIONNAIRE

	YES	NO
1. HAVE ANY ASSETS BEEN SOLD OR TRANSFERRED OUTSIDE THE NORMAL COURSE OF BUSINESS THIS REPORTING PERIOD?		X
2. HAVE ANY FUNDS BEEN DISBURSED FROM ANY ACCOUNT OTHER THAN A DEBTOR IN POSSESSION ACCOUNT?		X
3. ARE ANY POSTPETITION RECEIVABLES (ACCOUNTS, NOTES, OR LOANS) DUE FROM RELATED PARTIES?		X
4. HAVE ANY PAYMENTS BEEN MADE ON PREPETITION LIABILITIES THIS REPORTING PERIOD?		X
5. HAVE ANY POSTPETITION LOANS BEEN RECEIVED BY THE DEBTOR FROM ANY PARTY?		X
6. ARE ANY POSTPETITION PAYROLL TAXES PAST DUE?		X
7. ARE ANY POSTPETITION STATE OR FEDERAL INCOME TAXES PAST DUE?		X
8. ARE ANY POSTPETITION REAL ESTATE TAXES PAST DUE?		X
9. ARE ANY OTHER POSTPETITION TAXES PAST DUE?		X
10. ARE ANY AMOUNTS OWED TO POSTPETITION CREDITORS DELINQUENT?		X
11. HAVE ANY PREPETITION TAXES BEEN PAID DURING THE REPORTING PERIOD? Sales Tax	X	
12. ARE ANY WAGE PAYMENTS PAST DUE?		X

IF THE ANSWER TO ANY OF THE ABOVE QUESTIONS IS "YES," PROVIDE A DETAILED EXPLANATION OF EACH ITEM. ATTACH ADDITIONAL SHEETS IF NECESSARY.

INSURANCE

	YES	NO
1. ARE WORKER'S COMPENSATION, GENERAL LIABILITY AND OTHER NECESSARY INSURANCE COVERAGES IN EFFECT?	X	
2. ARE ALL PREMIUM PAYMENTS PAID CURRENT?	X	
3. PLEASE ITEMIZE POLICIES BELOW.		

IF THE ANSWER TO ANY OF THE ABOVE QUESTIONS IS "NO," OR IF ANY POLICIES HAVE BEEN CANCELLED OR NOT RENEWED DURING THIS REPORTING PERIOD, PROVIDE AN EXPLANATION BELOW. ATTACH ADDITIONAL SHEETS IF NECESSARY.

INSTALLMENT PAYMENTS

TYPE OF POLICY	CARRIER	PERIOD COVERED	PAYMENT AMT & FREQUENCY